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Alpine Man Charged With Securities Fraud

The Utah Division of Securities and representatives of Michael J. Fitzgerald announce that Michael J. Fitzgerald of Alpine, Utah, has been charged with securities fraud, employing unregistered agents and Racketeering. The charges were filed in the Fourth District Court on October 29th in Provo. Mr. Fitzgerald is scheduled to appear in court on November 23, 2004.

Michael Fitzgerald was one of the owners and operators of Beverley Hills Development in Alpine, Utah. It is alleged that Michael Fitzgerald, aided by at least seven unlicensed sales agents, sold promissory notes issued by Beverley Hills Development. The notes were sold in or from Utah to more than 300 investors. Investors were told the notes were collateralized by expensive real estate in Southern California. In reality, the notes were not secured by any collateral. Once payments ceased, the investors had no ability to retrieve their investment. Mr. Fitzgerald blames a former co-worker then living in California for not following through properly and for stealing money from the Utah investors.

Representations made by Michael Fitzgerald through Bob Jinks, who is the trustee of the Fitzgerald Unsecured Creditors Trust Fund, are that Mr. Fitzgerald is prepared to take full responsibility for the conduct alleged in the charging documents. Attorney's representing Mr. Fitzgerald have been negotiating with the Division of Securities in an attempt to reach a settlement that would return as much money as possible to the investors and at the same time avoid a lengthy trial.

According to Michael Hines, the Director of Enforcement for the Utah Division of Securities, "It is contemplated that an agreement will soon be executed which will require repayment of all principal amounts owed to investors by Beverley Hills Development. The estimated amount is between \$18 to \$19 million." Mr. Hines added, "If the agreement is reached and if the investors are not repaid the principal amount due according to the terms of the agreement, Michael Fitzgerald will have the felony convictions entered and he will face potential sentencing of three to fifteen years in the Utah State Prison." The Utah Division of Securities is preparing questionnaires to be mailed to all known investors to assist in determining the exact amount of restitution. Investors with Beverley Hills Development who do not receive a questionnaire by January 31, 2005 are encouraged to call Securities Analyst Jennifer Korb at 801-530-6976.